

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF PATRICIA)
TYKEN-COLLIER from the decision of the Board of)
Equalization of Benewah County for tax year 2006.)
)
)

APPEAL NOS. 06-A-2481,
06-A-2482 AND 06-A-2483
FINAL DECISION
AND ORDER

CATEGORY 18 PROPERTY APPEAL

THESE MATTERS came on for consolidated hearing October 17, 2006, in St. Maries, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Pat Tyken-Collier appeared. Assessor Teresa Jeffrey and State Tax Commission Consulting Appraiser Ron Craig appeared for Respondent Benewah County. This appeal is taken from a decision of the Benewah County Board of Equalization denying the protests of the valuation for taxing purposes of property described as Parcel Nos. RP46N02W261000A, RPA04000230890A and RP46N02W237100A.

The issue on appeal is whether subject land should be valued under the market value standard or whether it qualifies for tax treatment under an exemption or other classification.

The decision of the Benewah County Board of Equalization is affirmed.

FINDINGS OF FACT

The following chart outlines the parties respective value statements regarding the three subject assessments. There are no improvements (structures) on the associated parcels.

Parcel	Acres	Assessed Land Value	Taxpayer Claim (rounded)
RP46N02W261000A	50.410	\$50,410	\$504
RPA04000230890A	0.220	\$220	\$2
RP46N02W237100A	15.780	\$15,780	\$158

The two larger parcels are contiguous and abut the St. Maries River, just upstream of the

State Highway bridge. The third, smaller parcel sits directly across the railroad right of way from the two river parcels. The third parcel is the only one located within the City of St. Maries. The land on all three parcels is described as “Category 18 - Other Land.”

All three parcels (the subject property) are reported to be Federally recognized wetlands, a part of the St. Maries River system. The wetlands designation is associated with certain limitations on permitted activities and development. Appellant purchased the land in January of 2006 for \$90,000. The goal in purchasing the property was to place it in a conservation easement and to “sign over” perpetual stewardship to a third party.

At hearing, it was clarified the appeals concerned the County’s classification of subject land. There was no dispute with the assessed values. Nor was there any market evidence presented to support the above value claims. Specifically Appellant objected to the description of Category 18 on the assessment notices dropping the term “rural.” It was believed this change opened the door to misinterpretation regarding the actual status and intrinsic value of the wetlands. Considerable hearing discussion and testimony addressed the origin and function of assessment categories. The State Consulting Appraiser explained the County had no control over categories, they were established by State Administrative Rule (State Tax Commission Property Tax Rule 130). The current rule for 2006 provided “Other Land” as the catch line title for Category 18 land. The rule describes when a county is to use this category for property assessment purposes.

“Category 18 - Other Land. Land not compatible with other categories.”

It was further explained there are many assessment categories delineating for instance between urban and city property, and other property types such as residential, farm and commercial property. No category exists for wetlands. The Assessor explained that Category

18 was the category to identify land when it didn't fit with another more specific category.

Appellant asked several questions about categories and County procedures. She was interested in creating an appropriate title for subject lands where none existed. Several pages of exhibit materials were submitted including maps, narratives, color photographs, and assessment records.

The Assessor increased subject assessments in 2006 to reflect current market value and to improve equity with other river wetlands (flooded ground) within the county valued at \$1,000 per acre.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value or exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Appellant has not raised a specific exemption claim in connection with subject land. Such a claim should first be raised before the County Commissioners sitting as the Board of Equalization. Where no exemption exists, subject land should be assessed as taxable. Idaho Code §§ 63-203, 63-601.

This appeal went to hearing as a classification or market value case. Board jurisdiction is limited under the circumstances to insuring a fair and equitable valuation. The appropriate value standard for property tax assessment purposes is market value. Idaho Code § 63-205(1).

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment. (*Idaho Code § 63-201(10)*)

Appellant did not dispute, i.e. present evidence of market value or over-assessment relating to the subject properties. The appeal centered on matters relating to the description of the land in assessment records and documents. IDAPA 36.01.03.130 (Property Tax Administrative Rule 130) among other legal provisions discusses assessment standards relating to the description of property for assessment purposes. See also Idaho Code §§ 63-301(2) and 63-314. Categories are commonly used by the State Tax Commission and Counties for equalization purposes.

In summary, land and other property must be identified on the assessment rolls and associated notices using the listed categories in Rule 130. In this regard, Benewah County correctly “classified” subject land for assessment purposes. For other legal purposes, the land may be classified differently. By Appellant’s own description of the land and given its undisputed current use and limitations, the use of Category 18 was appropriate.

There was some limited testimony or argument at hearing that Category 18 should not be used inside city limits. Rule 130 is not specific in this regard. There was no other official or secondary document supporting the position expressed. Regardless, Appellant has not suggested another assessment category and we see no need to address it further here.

Concerning market value, the land is assessed for less than its recent selling price. Appellant presented no sales of comparable properties. There was no suggestion that the subject land price was not typical of an open market, arm’s-length transaction. Apparently negotiations on the purchase continued for some time and the sale was likely pending as of the first of the year, the assessment date.

With some exceptions, such as for certain land owned in fee by the State Dept. of Fish and Game, if title in property is held by the government it would be exempt. Idaho Code § 63-

602A. A partial exemption is available for certain land “used to protect wildlife and wildlife habitat.” Idaho Code § 63-605. In the latter instance, a copy of the conservation agreement or the document creating the conservation easement shall be filed with the County Assessor by April 15 of the year for which the tax status is claimed. Apparently no conservation easement existed by April 15, 2006.

In conclusion, Taxpayer has not shown where the 2006 assessments of the subject property are too high or otherwise erroneous. The market valuations approved by the Benewah County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision (assessments) of the Benewah County Board of Equalization concerning the subject parcels be, and the same hereby is, AFFIRMED.

DATED this 15th day of March , 2007.